

AGREED BOARD ORDER NO. 13-01

LOUISVILLE METRO AIR POLLUTION CONTROL BOARD

Incident No. 06090

This Order is issued by the Louisville Metro Air Pollution Control Board (Board) pursuant to Kentucky Revised Statutes Chapter 77 (Air Pollution Control). This Agreement is made by and between the Board and Momentive Specialty Chemicals Inc. (Company), a New Jersey corporation, and is effective on the date of its adoption by the Board.

COMPANY: Momentive Specialty Chemicals Inc.
6200 Camp Ground Road
Louisville, Kentucky 40216

REGULATIONS INVOLVED:

District Regulation 1.07: Excess Emissions During Startups, Shutdowns, and Upset Conditions
District Regulation 2.17: Federally Enforceable District Origin Operating Permits (FEDOOPs)

NOTICE OF VIOLATION LETTER: No. 02361, dated November 21, 2012

BACKGROUND AND DISCUSSION:

Company manufactures specialty chemicals and is subject to the requirements of Louisville Metro Air Pollution Control District (District) FEDOOP Permit No. 55-97-F (R2). In 2011, Company exceeded a permit limit while bypassing a boiler used as a control device, and failed to report upset conditions that caused an exceedance of the limit.

Company reported in a quarterly report that it had exceeded the 100 hour annual limit on bypasses of the boiler from the silver catalyst plant in February, March and April of 2011. After discussing the report with Company, the District determined that Company was not correctly reporting the hours the boiler was bypassed. Company was reporting only when the boiler was bypassed during non-startup/shutdown events, and not when the boiler was bypassed during startup/shutdown events. The District requested that Company calculate the 12 month totals to include all times the boiler was bypassed, and Company determined that the total hours exceeded the 100 hour limit for eight months of 2011, rather than three as previously reported. Company demonstrated in January 2012 that it had returned to compliance with the 100 hour limit.

In July 2012, Company submitted a report that showed 17.75 hours of non-startup/shutdown boiler bypass for August 2011, indicating an upset condition had occurred, which should have resulted in a series of excess emissions reports to the District, including dates and times of the upset, root cause of the upset, and steps taken to prevent recurrence of the

problem. Company failed to submit these reports timely, but did submit them when requested by the District.

To fully address the violations of District Regulations 1.07 and 2.17 alleged above, the parties agree to this Order assessing against the Company an administrative settlement of \$13,500. On February 20, 2013 a public hearing was held before the Board on this proposed Order. Based upon the information presented at that hearing, the Board determines that the proposed resolution and requirements contained in this Order are reasonable under the circumstances.

NOW, THEREFORE BE IT ORDERED THAT:

1. Company shall pay \$13,500 to the Louisville Metro Air Pollution Control District by March 30, 2013.

2. Company has reviewed this Order and consents to all its requirements and terms. Company agrees to pay the cost of publishing legal notice of the public hearing.

3. In the event that it is necessary for the District to seek a court order to enforce this Order, Company agrees to pay filing fees and costs of such action.

4. This Order fully resolves the violations alleged in District Incident No. 06090, and as alleged above in this Order.

5. Neither this Order nor the actions taken hereunder shall constitute an admission by Company of any wrongdoing regarding any of the matters referenced in this Order.

Louisville Metro Air Pollution Control Board

Momentive Specialty Chemicals Inc.

By: _____
Robert W. Powell, M.D.
Chairman

By: _____
Jeff Anderson
Site Leader

Date: _____

Date: _____

Louisville Metro Air Pollution Control District

By: _____
Paul G. Aud, P.E.
Air Pollution Control Officer

Date: _____

Approved as to form and legality:

By: _____
Stacy Fritze Dott
Assistant County Attorney